



**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY SUCCESSOR AGENCY,
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**July 2, 2014
5:30 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Dan Clark; Vice Mayor Marshall 'Chip' Holloway, Council Members Jim Sander; Lori Acton, and Steven Morgan

Council Absent: None

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Michael Silander; and other staff

APPROVAL OF AGENDA

- *Mayor Clark pulled Item No. 7 of Supplement No. 1 as the terms of the contract did not match what the Ad Hoc committee had drafted.*

Motion To Approve Agenda (As Amended) Made By Council Member Holloway, Second By Council Member Acton. Motion Carried By Voice Vote Of 5 Ayes (Mayor Clark, Council Members, Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; 0 Absent

PUBLIC COMMENT – CLOSED SESSION

Stan Rajtora

- Asked that Item No. 1 be removed from consent and put on discussion at a later time with a valid rate study before additional increase is approved. Previous rate study was off so requested a new rate study. Assuming a prop 218 requires a rate study
 - Will pull the item for discussion.

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Jerry Taylor

- Comment on labor negotiations, regarding UFCW not paying PERS contribution rates.
- Commented on the calculation to determine final retirement and asked that all employees pay the employee share of the contributions.
- Stated that the Employer share of contributions will continue to go up.

CLOSED SESSION

- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Keys Case No. R-1502-CV-100757
- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Agostinacci Case No. R-1502-CV-100759
- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Rutherford Case No. R-1502-CV-100760
- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Gregg Boske, Claim No. 14-07
- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Ruth Cooper, Claim No. 14-08
- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Jane Steinmetz, Claim No. 14-09
- GC54957.6 Labor Negotiations – UFCW Local 8 And Police Employee Association Of Ridgecrest (PEAR). Agency Negotiator City Manager Dennis Speer

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Keys Case No. R-1502-CV-100757 – report received, denied, restraining order issued
 - GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Agostinacci Case No. R-1502-CV-100759 - report received, denied, restraining order issued
 - GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Folk v. Rutherford Case No. R-1502-CV-100760 - report received, denied, restraining order issued

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City Attorney Report *(continued)*

- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Gregg Boske, Claim No. 14-07 granted
 - GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Ruth Cooper, Claim No. 14-08, granted in the amount of \$543.00
 - GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Jane Steinmetz, Claim No. 14-09, granted in the amount of \$3146.38
 - GC54957.6 Labor Negotiations – UFCW Local 8 And Police Employee Association Of Ridgecrest (PEAR). Agency Negotiator City Manager Dennis Speer, received report, no action, direction given to negotiator.
- Other
- None

PUBLIC COMMENT

Randy Jenkins

- Spoke on freedom of speech, press, and religion under constitution.
- Read article about standing for freedom and constitution
- Read bible verse and spoke on God in our lives.

Giovanni

- Commented on sole source contract and expressed disappointment in the item being pulled.
 - Dan Clark – commented on item being pulled because contract was not the same as Ad Hoc had discussed.
- Expressed support for the item
 - Chip Holloway – commented the item was pulled because it was not posted on time.

Dave Matthews

- Commented on consent calendar and expressed concern about items being placed on consent which will be controversial and need discussion.

Jerry Taylor

- Spoke on impact fees such as traffic and should be spending the funds. Held for five years and may have an ethical reason to give the funds back if not needed in the five years.
 - Dan Clark - City has done due diligence on the issue
 - Jerry responded on the ethical issue to be considered when fees were collected and not used.
 - Dan Clark – some of the improvements will cost more than the amount actually collected in the five year time period. Takes a long time to collect the fees to a level to complete the goals.

Jerry Taylor (*continued*)

- Commented on traffic flow and the synchronization of the lights. Upjohn is bringing a safety hazard with a new light because of the dip in the road. City has flood control money and impact fee money so might consider a better drainage solution. Intersection of Upjohn and China Lake Blvd.

CONSENT CALENDAR

1. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Adopting The City's Sewer Availability Charges, Directing The City Clerk To File Charges For The Collection By The Kern County Auditor-Controller And Levying And Collecting Sewer Availability Fees On The General Tax Rolls For Fiscal Year 2015-2016 Speer
2. Adopt A Resolution To Approve A Professional Services Agreement With Willdan Engineering To Provide GIS Services In Support Of The Sewer Collection System Condition Assessment Authorize The City Manager, Dennis Speer, To Sign The Agreement Upon The City Attorney's Review Speer
3. Adopt A Resolution To Approve A Professional Services Agreement With James McRea, Consultant, For Services Relating To Redevelopment, Economic Development And Community Services Programs And Projects And Authorize The City Manager, Dennis Speer, To Sign The Agreement Speer
4. Approval Of Draft Minutes Of The Regular City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Minutes Dated June 4, 2014 Ford

Items pulled

- No. 1

Motion To Approve Item Nos. 2, 3, And 4, Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

Item No. 1 discussion

Stan Rajtora

- Concerned about the fee study used to determine the fees. Asked for clarification from City manager
 - Dennis Speer – responded with history of the five year rate plan adopted with regular increases to provide cash available to pay 1/3 of cost for new wastewater plant.

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Stan Rajtora *(continued)*

- Asked if we have to implement the full percentage
 - Dennis Speer – Council adopted a five year graduated rate schedule, this is second year, and based on market analysis would provide cash in reserve to take out bond and provide 1/3 of cost to construct.
 - Steve Morgan - Asked if we have to abide by the terms adopted in the Prop 218 hearing
 - Dennis Speer – Council agreed to have another study performed at some point in the five year plan
- Read statistics from the original rate study. Commented on assumptions in the rate study being invalid due to a variance of the actual reserve totals.
 - Dennis Speer – Reserves also include funding for mapping and replacement of lines.
- Commented on current reserve at \$12 million and rate study projected only a \$4 million reserve. See no reason to increase rates again when there is no idea on what the money will be spent on. Referenced an email sent to Council with requests for a new rate study and pursuing the navy for partial cost of the wastewater plant.
- We know the original rate study was invalid so no increase should be made until a valid study is completed.
 - Dennis Speer - \$4 million was an operational reserve. Last estimate for construction was in excess of \$46 million so need 1/3 of that in reserves in additional to operational reserve.
- Commented on persons being served by the facility should pay on a bond issue over a 40 or 50 year bond issue. People living here now are paying for service they are receiving now and should not be expected to pay for future resident's service. Would be nice to have a reserve without a bond issue, but the cost of the facility should be paid for by the rate payers getting the service.
- Regarding the second request about the Navy. Seems Navy is contributing very few dollars for a considerable service. Commented on cost survey personally compiled from the operating budget of the City. Estimated over 9 years, wastewater fund has paid \$12 million for effluent treatment. If Navy is using 1/3 of the capacity (33%) they should have paid \$4 million (33%). In 9 years Navy has paid \$1.7 million into the wastewater fund.
- Commented on not having a line item budget on the City website and Mr. Speer's assistance to get the accurate numbers.
- Commented on the Navy being in arrears on payments.
- As rental owner, pays a lot of money and do not feel citizens should be paying a subsidy to the Navy who should be paying 33% based on their usage.

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Stan Rajtora *(continued)*

- Requested a new rate study and getting money back from the Navy
 - Dennis Speer – Navy has contributed approximately 30% of the flow
 - Dennis Speer – commented on rate analysis, Navy contribution is 30% but only pays 18%. This Council is the first in over 20 years who chose to raise the rates. Commented on Navy contract which prohibited City from increasing rates until a study and across the board rate increases were implemented.
- Commented on contractual issues and attorney assistance. Rate payers should not be subsidizing the Navy. Council has responsibility to rate payers.
 - Dennis Speer – have met with Navy and have agreement to pay 5 year graduated payment. Contract modification in San Diego so rate went from \$.71 to \$1.05 with substantial increases over the next five years.
- Right now it appears Navy is paying ½ of what they should so any increase that does not double the rate is not enough. Concerned about them paying the cost of treatment for their wastewater. When looking at the actual cost for treatment they should pay their share. Looks like they are paying about 48%. Will talk again with validated numbers

Jerry Taylor

- Prop 218 words imposing or increasing invokes a hearing. Commented on waiting to last possible time so need to act tonight.
- Commented on not seeing information presented to public regarding replacement of sewer lines. Requested direction to staff for that information.
- Historical information is City is currently using a Navy facility so asked from a public relations perspective to keep this in mind. Commented on distribution system being maintained by the Navy.
- Understand where this is coming and the impact to businesses and individuals. Appreciate the sensitivity and requested Council keep in mind there is latitude in future to make changes.

Jim Sanders

- Wastewater rate study, reviewed the study and notes from the meeting, clearly stated the increase for fees is not to pay for new facility but to bring the fund into a level to generate debt service. At the time the fund could not handle the debt financing.
 - Stan Rajtora – assumption was the reserve was not at a level for debt financing but now we know the assumption was not correct. Offered to get together with Council member and discuss.

Jerry Taylor

- Asked if the \$4 million has to be paid back quicker.
 - Dennis Speer – scheduled payments are for a 30 year loan

Steve Morgan

- This is a situation of a misunderstanding of what was done with survey in the past. Asked staff to bring back and show how it was calculated and prove these increases were necessary. Unfortunately in history Council did not increase rates, sat her for a long time, and for 27 years it is time to catch up.

Jim Sanders

- In favor of bringing back for more information

Chip Holloway

- Have \$12 million rather than \$4 million is not a bad problem. Spoke on the ability of being able to finance at \$15 million as opposed to \$12 million will get a better interest rate. By delaying this today then putting the burden on the future citizens.

Dan Clark

- To put this on the tax rolls then have to pass tonight. Comfortable with the item as presented

Jim Sanders

- Asked for deadline
 - Dennis Speer – confirmed the item must be given to the Franchise Tax Board soon to begin taking the payments.

Motion To Approve Item No. 1 Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sander, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

Dan Clark

- Thanked Stan Rajtora and assured him that staff will bring back information at a future council meeting.

DISCUSSION AND OTHER ACTION ITEMS

5. Discussion And Direction To Staff Regarding Expediting Construction Of The Wastewater Treatment Plant **Clark**

Dan Clark

- Presented staff report
- Read Fresno Bee article regarding cost of selling water. \$2200 per acre foot. Read averaged of treated water and cost possible in excess of \$5 million of treated water we could sell.
- Suggested expediting the wastewater facility so we could potentially be able to sell or bank the treated water. Commented on tertiary component possibly being added.

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Dan Clark *(continued)*

- Looking for direction to staff to expedite new facility. Not referring to location but what is costs for facility and tertiary component and how soon could we make it happen.
- Opportunity we need to explore as a commodity we could sell.
- Asked for a nod of heads to give direction to staff.
- Have staff bring recommendations, timeline, and Lahontan issues.

Lori Acton

- If putting back in ground must be tertiary and if drinkable has to be treated thru osmosis
- Half the water belongs to the Navy so if selling they will be entitled to some.
- No problem exploring option, have to make sure the chewy chub gets water so have to take this into consideration
- Question to consider is the Water District and Cooperative Water Board needs to weigh in. They know where the water is used and needed. There are concerns about piping.
- Could defeat the debt financing concern about borrowing at a lower interest

Chip Holloway

- Clarified with Dennis the current contractor timeline
 - Dennis Speer – scheduling a teleconference meeting to discuss expediting strategy
- Fully support the meeting if we could expedite faster.
- Commented on previous grant problems and sequestration so supports expediting if possible

Jim Sanders

- Assume water would be sold to Water District.
 - Dan Clark – they are planning on importing water so this could add to their needs. Water goes to Trona community
 - Dennis Speer – City consultant indicated some cost estimates for tertiary facility and don't want unless a user is in line.
- Excellent if cost affective but until that is done don't think we will be able to find a buyer. Feel it is a good direction because will have to import water in the future.
- Asked staff to consider grey water use also. If things change and we don't end up importing water then not sure who we would sell to or if it would be viable.

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Steve Morgan

- Long standing issue, am advocate of recharge and cannot say how long ago we began looking at the first contract discussing tertiary treatment.
- We are not in the business of water, not sure about Madera. Madera may be in the business of providing water for the county.
- The purpose of providing recycled water is to put it back into the ground and lessen the impact of what is drawn out.
- Never looked at it as a money maker for the City.
- No objection of expediting the process.

Dan Clark

- Clarified that Council agrees to give direction to staff to do study and bring back to Council

Public Comment

Jerry Taylor

- Suggest conversation with water district, their costs not as high as other California locations.
- Suggest looking at the economics of the idea
- Agree with Council member sanders and need to change building code and commented on grey water and purple pipe
- Thanked Navy for using the water. If pipe was brought to Burroughs football field and other facilities could be beneficial
 - Dan Clark – has spoken with water district and they are supportive of the idea.
 - Steve Morgan – commented on Bill Lalor organization of joint meeting with water district. Did not work out at the time. Feel staff should do the research.

Stan Rajtora

- Appreciate having Water District involved. If they aren't on board with purchasing, we will just pump into the ground only to have them pump it back out.
- Suggested working with the County. Water will be imported and need to get information from County
- Spoke on county meeting that public was not invited to. County states will have to import water
- Do not feel production will actually happen for 10 years because of time required for design and build
- Hope Council understand public is interested in what is happening. Have no idea what is happening with design even though City is paying for design. Council can use help from the public.

Stan Rajtora *(continued)*

- Public deserves the right to be involved. Asked Council to find a way to keep public knowledgeable of what is going on.
 - Lori Acton – county want to make water district responsible. Have no opposition to meeting with public and county is looking to help finance.

Direction to staff to look at the numbers.

6. Discussion And Further Evaluation Of Industrial Development Proposals/Firms For Funding Assistance Utilizing Tab Funds Parsons

Gary Parsons

- Presented staff report
- Reviewed direction to discuss with proposers a way to reduce funding levels and affect to performance milestone. Also discuss with bond Council of issues, create conditions in grant agreement that will minimize risk and maximize accomplishments.
- Apologized to Council and public for delayed staff report and additional information from proposer was distributed with the assistance of City Clerk. Slide presentation available with additional information.
- Some errors which will need corrected tonight.
- Reviewed PowerPoint slide presentation *(copy available in the City Clerk's office)*
- Staff provided a recommendation for funding 4 firms (Pertexa, CalUAS, EH Group, and WEDA) and outlined where the funding would be re-allocated to cover additional costs.
- Staff provided special provisions to be included in the grant agreements that would help protect the City's interest for a period of up to 10 years.
 - Dan Clark – clarified the flexibility of Council having the ability to request refunds based on the performance measures.
 - Lori Acton – clarified that Council would have the option of requesting an independent audit if necessary
 - Lori Acton – asked about legality, City Attorney will review the provisions.
- Goal is to set appropriate standards to help City monitor and assure the investment rather than taking the money and walking away.

Dan Clark

- Asked if the proposers have seen the agreement conditions.
 - Gary Parsons – companies were informed there would be some strict conditions but have not seen the conditions. Not considered a negotiation item but what we need to have to protect our interest. Council can modify, add or eliminate as they choose.

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Jim Sanders

- Asked if these were based on conditions of the bonds
 - Gary Parsons – no, we can exceed the bond conditions so long as we don't make the bonds taxable. These conditions are designed to protect the City's investment of the free grant money.

Gary Parsons

- Commented on impacts to each company with the reduced grant amounts.
- EH Group reviewed. Broken down into 3 projects including a hydrogen fuel cell station, a bio-mass project, and a solar project. Staff chose the bio-mass project as the focal because it requires bringing rail into the valley which will benefit the City more. Will have to adjust the conditions because there are no sales and very minimal jobs. Commented that if rail is part of the project then is worth \$80,000. Other costs would have to be funded with grants and other available funding sources.
- WEDA should be funded also because they will bring already operating companies to the area.
- If Council chooses, can fund all four as shown in the presentation.

Dan Clark

- Need to look at the funding totals, the number of companies, and benchmarks of each. Can add or delete as needed.

Motion To Approve Funding Plan As Presented Made By Council Member Holloway, Second By Council Member Acton.

Steve Morgan

- Would like to see the contracts but reminded Council that previous Council made obligations with the funds now being played with. Listed issues on the Ridgecrest Blvd. project and stated that borrowing from contingencies is a dangerous proposition and wants to know where the \$500,000 will come from if needed.
- If one group doesn't meet the milestone they don't get the rest of the money but if large amounts are fronted then may have trouble getting the money back
- Would be wonderful to fund everything.
- In Walmart contingencies, staff has researched and believes there is some wiggle room but still not guaranteed. Even though some people in the community don't believe Walmart is coming, they are coming. If we need this money, where will we get it from? We made promises to Walmart.

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Steve Morgan *(continued)*

- Would like to hold back on the EH Group. We see potential from WEDA to bring in jobs. CalUAS and Pertexa will bring jobs. EH Group is consulting, they will tell us if we can do it and their report in the end will say we need to find more money to accomplish the project. Rail and Bio-Mass cost millions of dollars and there are environmental issues. Commented on discussions of the environmental process problems confronted just trying to put a spur back right after the other was removed.
- If monies in contingencies from both Ridgecrest Blvd. and Walmart are available when the projects are completed, then agree we can safely move forward. But need to wait for now.
- Mr. Parson's has done fantastic work, no complaint with the entire package, just concerns about the money. Have no issue with the conditions, which protect us. We are openly telling the community we learned from previous mistakes and now are protecting ourselves in the best way possible.
- Believe in CalUAS and Pertexa. Believe there is a time and place in the future when we can work with EH Group, but not willing to short other projects and risk the contingencies because we will have no recourse but to find the money if it is needed. Budget is razor thin and would have to make major cuts to find the money. Not going to jump on the do everything bandwagon

Dennis Speer

- Staff has looked at this in detail and shares the concerns of Council Member Morgan. Have held extensive discussions with the City engineer. We believe West Ridgecrest Blvd. project is like walking thru a mine field in terms of things coming up. Contractor has already had to delay and change the project because of the utilities, but given that, we do believe we can safely reduce contingencies.

Michael Silander

- Addressed Ms. Acton's concerns regarding the conditions. Terms can replace damages but cannot be considered punitive. Will work to draft the conditions.

Steve Morgan

- If had to come up with \$500,000 where would it come from?
 - Dennis Speer – only one reserve with that kind of funding, wastewater

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Lori Acton

- Asked for clarification of last round of negotiations with Walmart developer
 - Gary Parsons - Last round eliminated some of the developer fees. If changes are made, then could potentially come from the remaining fund. At this time in negotiations we have only offered \$1.9 million rather than the original \$2.8 million. Commented on TAB money not being committed so Walmart pared down the project to the \$1.9 million. Does not mean money isn't needed in other public works projects. Will have time with Mr. Hackett's project, initial \$80,000 is for environmental concerns and other studies for 6-12 months and the hope is that the West Ridgecrest Blvd. project is completed by that time so should know what will be needed by that time. May not go beyond the initial \$80,000 investment.
 - Dennis Speer – Walmart indicated they expect significant increases in cost due to inflation changes from 2008 to 2014.
- Asked if we were looking at funding the smaller portions.
 - Gary parsons – clarified commitments.
- Stated she is good with where we are at and funding all four.

Steve Morgan

- To commit funds you do not have it is fiduciary immoral. If you sign a contract with a second payment how will you deal with that?

Jim Sanders

- On same page with Council Member Morgan. Hesitant to use contingency funds. Do not see anything wrong in waiting until West Ridgecrest Blvd is completed and if there are funds left over then use those available funds for a project.
- Asked about Walmart and Ridgecrest Blvd timeline
 - Dennis Speer - Could be delay in Ridgecrest Blvd because of the utilities
 - Gary Parsons – odds are there could be a development agreement as early as October because of progress being made with the development, no guarantee. Once development agreement is completed then will have certain numbers. Developer recognizes the costs have gone up, originally discussed in 2008 and now going into 2015. Inflationary prices for items already discussed. Reasonable to expect there will not be \$2.8 million expenditure. \$500,000 is a reasonable reduction and will leave over \$2 million for developer costs. More risk is to the West Ridgecrest Blvd project, if there is a shortage then the only available money would be Walmart or Council would have to see about other TAB funding available in retail and code enforcement and other uncommitted TAB expenditures.

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Jim Sanders *(continued)*

- Have a problem with code enforcement. We have several abandoned buildings we were going to clean up and this is a high priority. Blight to City and a safety hazard. When talking about developing our economy, cleaning up blight is part of it. Are we planning on funding this in another way?
 - Gary parsons – under this plan there is still over half the fund available for both retail and code enforcement. If Walmart doesn't need all the money or Ridgecrest Blvd. has funds available can add those back into the funds taken from. Exemplified remaining contingency funds not being expended those could be used to replace funds taken
- Suggested holding off the EH Group for bio-mass grant until Ridgecrest Blvd. is completed and if the contingency is left over then move forward.

Chip Holloway

- Commented on staff and Council being paralyzed with fear but have to have industrial revenue to survive. Spoke on sitting with Dennis Speer and discussing several times. For Mr. Speer to give up these funds then I am confident he believes he won't need that money. Why wait a year to spend \$80,000. This is not the only egg in his basket. There will still be \$420,000 available, there are other areas we can get the money. Have got to get started. Have no fear of this proposal as it stands tonight. Have been thru this proposal repeatedly. None of us know the right answer; don't rank any of these as the best. Commented on personal experience of restaurateur and the unanticipated recession of 2008. In business you take risk. If you can't take the criticism then you need to sit back and cut all departments and not take risk at all.

Dan Clark

- Agree with Council member Holloway. Drove back from vacation to have this discussion because it is that important. Sat with Mr. Speer. He hasn't made a mistake yet with the budget, he is a very conservative fiscal manager. Not concerned about the figures. Excited about the opportunity to fund all four projects. Not in favor of setting EH Group back a few months but could be done. Mr. Parsons has done a phenomenal job putting this together. If all 4 go south, community can't say we did not do our due diligence. Comfortable with the reduced sums for starts. Assume we get lucky and have a 50% success rate, as the eternal optimist, this is one opportunity in a thousand and I am willing to take direction from staff and invest in this community. Hopefully will see the development approach be successful.

Five Minute Recess

Public Comment at 8:51 p.m.

Carol Vaughn

- Spoke on email sent to Council with Ridgecrest 25th birthday, last paragraph spoke on land to often with poor planning, Ridgecrest could be model City with stable property values. Asked where the plans are to increase revenue and stabilize property values
- 2010 had general plan meeting and one statement repeated was to become the silicon valley of energy. Now 26 years with no plan. Life has not been good since 1990. Time to move forward and stop hiding. Need to worry about having a City. Need to make something happen. Talking and worrying has not helped up move forward. Should not stop with tonight's proposals, need to move forward with more proposals and stop living in fear of the base not getting another program. Since 1990 it's been up and down and most of it has been down.
- Commented on empty buildings because of not having economic growth. If there is economic growth someone will take those empty buildings and do something with them.
- Asked Council do so something tonight and keep doing something that moves us forward
- A town this size should not have to worry if a few dollars go somewhere

Dave Matthews

- Asked for motion to be restated.
 - Chip Holloway – motion to approve recommendation of staff with TAB funding levels as presented.
- Asked everyone to take a good look at Council Member Morgan. He is a good example of corporate knowledge and why I did not vote for term limits. Need people long term keeping tabs on the City. Could also have said the same things about Council Member Holloway until he ramrodded this thing thru tonight.
- Commented on daily independent editorial which said pick one and stick with it. After looking at the list, interest is in job growth as well as economics. There is only one outstanding bidder. Commented on the five year job counts.
 - Gary parsons – all proposers stated original proposals would be attained at the five year level
- A lot of people have been out of work for a long time and some of them are beginning to panic. Other businesses leaving the state of California.
- Referenced a quote about fooling people. You can please all the people some of the time but only some of the people all the time. Need to go with the one that will give the most jobs in five years and stick with it. Need a plan for the future projects but make the most efficient use of the TAB funds?
- Commented on the daily independent publisher statement of looking in the mirror and decide if you would personally invest in the proposals.
- If people going to bring jobs in tomorrow then all for it.

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Dave Matthews *(continued)*

- Pointed out the people going to bring in jobs, the restrictions being discussed, no guarantee these people will stay here.

Tina Warren

- Agree we do need to fund all four of the proposals. Have waited long enough. EH Group needs time to do the research and understand Mr. Morgan's concerns, but this group works on ways to cut through the red tape. Need to take action and move forward.
- Comment on No 4 of the considerations, if not doing well they won't be able to pay back. Understand there is risk but need to move forward.

Renee Westalusk

- Strongly support Council Members Morgan and Sanders
- Support Dave Matthews idea of getting behind one project
- Need to consider reality, do not consider projects with demands for EIR as a good investment or demands for a foreign trade zone established
- Don't want to see money wasted; go with one good project that is shovel ready, up and running.
- Putting small pots of money into 4 projects is a waste, also stay away from projects that could ruin the air in the valley

Jerry Taylor

- Agree with Morgan and Sanders at putting the money at risk
- Trying to fund all four is not realistic.
- Asked about the reality of revenue stream
- Exemplified online purchases taking away potential sales.
- We are a one industry town, would be great to actually bring an industry into town.
- Is this really going to bring revenue in, are these the right projects. Don't see the real bang for the buck. Where is the real investment for these projects? Walmart is contingencies as well as Ridgecrest Blvd.
- What are you really expecting to get out of these? Would you personally want to put money into these projects?

Public comment closed at 9:08 p.m.

Steve Morgan

- Wish I could put money into these projects but can't as a Council member

Jim Sanders

- Hesitation is not fear; it is the weight of responsibility, if my own money then would personally love to invest in two of these projects. Can't because I don't have the money and would be a conflict of interest.
- On number 5 of terms and conditions, asked if there could be a clause we can audit if they are not meeting the milestones, not sure I want to dig into it if they are meeting their milestones.
 - Gary parsons – City shall have the right and interpret this would be done if the company does not meet the milestones. I expect to see these companies meet the milestones they have stated. Have to be able to find a way to ensure they are spending the funds on the items they identified in their proposals and not cars and trips. May need to audit to see this. If they buy the items on the list then have a good idea the funds were used for the proper purpose.
- Are companies going to have ability to make changes
 - Gary parsons – not the way it is laid out, they could approach Council, but we are trying to find a way to hold them responsible to fulfil their promise with the grant money

Chip Holloway

- Every proposer spoken to came up with these numbers. While it may delay the execution time but their complete plan can still be executed.
 - Gary Parsons – correct
- The plans from last meeting at the five year mark are still the same, nobody has been told to pare down their plan with our numbers, every one of them feel their plan is still viable at reduced numbers.
- Comfortable with the proposal

Motion To Fund All Four At The Revised Level As Presented By Staff Made By Council Member Holloway, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Clark, Council Members Holloway And Acton); 2 Noes (Council Members Sanders And Morgan); 0 Abstain; And 0 Absent

Gary Parsons

- Will work with companies to get the agreements in place and hope to bring back to Council by early August.

7. **Approve A Resolution To Approve A Professional Services Agreement With Justin O'Neill And Authorize The Mayor, Daniel O. Clark, To Sign The Agreement** Clark

Pulled prior to approval of the agenda.

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark
Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center
Next Meeting: To Be Announced

Jim Sanders

- No report

Veterans Advisory Committee

Members: Dan Clark
Meetings: 1st and 3rd Tuesday of the Month At 6:30 p.m., Kerr McGee Center
Next Meeting: To Be Announced

Dan Clark

- POW shirts available for sale.
- 5013C moving forward

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: Date and Location To Be Announced

Chip Holloway

- Announced next meeting August 6

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

none

CITY MANAGER REPORT

Dennis Speer

- Reminder that measure 'I' committee has 2 member appointments and persons can submit applications to City clerk

MAYOR AND COUNCIL COMMENTS

Jim Sanders

- Future discussion items, water conservation for City of Ridgecrest staff and facilities; infrastructure projects update and PMS status; wastewater system maintenance plan; street sweeping costs and ideas.

Chip Holloway

- Commented on sewer fund email thread. Reminded everyone that staff is available to meet with individuals to answer questions. Committees only had 3-5 public who attended regularly so better use of time to meet individually with staff
- People still don't realize that if 100% of measure 'I' funding was used for streets we could only do 10 miles of street. City's portion of Ridgecrest Blvd. is 9 million, utilities are also paying. It isn't complicated math, street problem is significant and people refuse to accept it.
- Policy committee meeting attended. Public safety committee meeting has decided that recreational marijuana is going to be in place by 2016. Supervisor McQuiston is starting a program with our churches call 'not in my town'. More important to address the drug problem than economic development. Need to get churches engaged and need to show leadership at the Council level.
- Referenced flyer for global leadership conference at crossroads community church. Not a religious event but more about leadership. Encouraged Council and community to attend.
- Thanked Council for the last vote. Important this Council respects everyone's opinion, ok if you disagree with me and comfortable the right decision was made. Have to do something; if we keep doing what we've been doing then return is zero.
- Quote on election
- Challenge for those on Facebook page, wounded warrior on America's Got Talent. Challenged everyone to take \$20 out of Fourth of July funds and donate to wounded warrior.

Steven Morgan

- I was not against economic development tonight; I was against obligating funds that were already obligated. None of us double obligate money. That is why I voted no because that is exactly what we did. I am against it.
- I hope every one of these succeed and am really confident that two of them will and I hope a third for long term Ridgecrest works out well
- With regard to City and economic development, I remember a \$1 million grant from federal grant that was supplemented by City. I remember other businesses like Miller's Outpost touted by Council and not supported by citizens so they left. Remember other economic opportunities Council was filleted for because they tried and failed. Do not appreciate being told that there is not a plan because we may not have been successful but have always had this community at heart. Not one Council member earns a dollar off the decisions they make because it is illegal.
- By double obligating funds, we had a plan to use west Ridgecrest Blvd. contingency funds to help fund the widening of Downs Street. This has just been killed. A section of town being improved by west Ridgecrest Blvd. project will be delayed because of the decision tonight but will find a way to eventually get it done

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Steve Morgan *(continued)*

- Commented on undergrounding of utilities project which design is complete but will not sit there and time out because there is no funding.
- Understand David's comments about term limits, but citizens chose not to go that route and at this time I cannot run. Now City will get a brand new mayor who has never sat on a Council. Mr. Holloway has comment he will run for a four year term. Mr. Clark has been publicly filleted for leaving town; he is retired and can live his own life. I would have run for Council until voted off but that is not what we have
- Hope everyone has put in a buck for 4th of July fireworks. Concert from 5:30-7:30 for fairgrounds fundraiser. Boy scouts will be parking for \$1.00 as a fund raiser. \$20,000 show raised by the lions club. Thank the Lion's Club members.

Lori Acton

- Hear concern about foreign trade zone which is beneficial to us as we will get the sales tax
- Jobs and trickledown economics makes sense the revenue will come
- Confused about statement of funds going to Downs St.
- Would like to explore some type of meeting design such as Ad Hoc and committees, possible adding a meeting to discuss infrastructure items.
- Would like IWW water to participate or give presentation regarding wastewater
 - Dennis Speer – premature at this point, will be holding meeting with consultant and navy. Unless it is a general discussion of tertiary treatment
- Mean more of a general discussion of the basics.
- Thanked community. Council tried to stand up and provide options for the community to sustain the community
- Happy 4th of July
- Read Bob Reilly quotes on government and jobs.

Dan Clark

- Read a thank you from Jody Rummer for her proclamation. Builds appreciation in the community and feels good to honor people in the community
- Spoke about Goldsmith show on petroglyphs aired by PBS
- LA Time's article brought 7 hotel reservations.
- July 15 petroglyph meeting, open to the community
- Thanked Council for respectful meeting on a difficult topic. Came here off the mountain to ensure my idea would get consideration and appreciate fellow Council members respect for opinions.
- Want to put term limits on discussion for next Council meeting. Need to discuss mayoral term limits because economic disadvantage to run for negative and need to explore our feelings and candidates will take out papers July 14. Need to have as discussion item for next Council. Discussion for the public showing financial and family toll to be a Council member.

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- Receiving compliments about the streets both verbally and emailed. Commented that today received comment that Ridgecrest Blvd. is smoother as dirt than what it was paved.
- Commented on Steve Morgan and Chip Holloways efforts on the Ridgecrest Blvd. project.
- Spoke on terrorists who have indicated they will disrupt 4th of July activities.
- Wished everyone a happy and safe holiday

ADJOURNMENT at 9:47 p.m.

A handwritten signature in blue ink that reads "Rachel J. Ford, CMC". The signature is written in a cursive style and is positioned above a horizontal line.

Rachel J. Ford, CMC
City Clerk